

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

IN RE:

WILMER TACORONTE ORTIZ

Debtor.

IN RE:

HOTEL CUPIDO INC.

Debtor.

CASE NO. 19-01178 (EAG)

CHAPTER 11

CASE NO. 19-03799 (EAG)

CHAPTER 11

STIPULATION WITH SHORTENED OBJECTION NOTICE

TO THE HONORABLE COURT:

COME NOW the captioned Debtors (the "Debtors") and secured creditor OSP Consortium LLC ("OSP") (collectively, the "Parties"), through their undersigned counsels, and respectfully state and pray:

Procedural Background

1. On August 4, 2021, Debtors and OSP Consortium, LLC (collectively the "Parties") filed a *Stipulation for OSP Consortium LLC's Claim* (the "Stipulation", Bankr. Case No. 19-01178, ECF No. 155 and Bankr. Case No. 19-03799, ECF No. 116). To avoid repetition, it is incorporated by reference as if fully transcribed herein. All terms and conditions of the *Stipulation* not expressly modified herein shall remain in full force and effect.

2. Pursuant to the terms of the *Stipulation*, Debtors agreed to the following payment terms:

- Tacoronte shall transfer to OSP through Sections 363, 1123(a)(5), 1123(b)(4), and 1146(a) of the Bankruptcy Code the property located at Bo. Duey in San Germán^[1] as described in *Amended Schedule A*, Case No. 19-01178, Docket No. 42, p. 17, and Property F^[2], *supra*.

¹ This property is described in the Property Registry in the Spanish language as follows:

RÚSTICA: Parcela de terreno radicada en el Barrio Duey Bajo del municipio de San Germán, con una cabida superficial de 9367.5 metros cuadrados. En lindes por el Norte, en varias alineaciones que suman 162.45 metros, con camino vecinal, por el Sur, en 3 alineaciones que suman 118.40 metros, con César Martínez y Eduardo López, por el Este, en 3 alineaciones que suman 85.20 metros, con la Carretera municipal a Duey Bajo; y por el Oeste, en 70.20 metros, con Sucesió José Dolores Sample.

Finca #8334 Inscrita al folio 64 del tomo 279 de San Germán, Registro de la Propiedad de San Germán.

² Property F is described in the Property Registry in the Spanish language as follows:

- The property to be transferred is fully encumbered by OSP and there are no further liens; other than the statutory lien in favor of Centro de Recaudación de Ingresos Municipales (“CRIM”) for the real property taxes owed for the current fiscal year, plus the real property taxes owed for the past five (5) fiscal years pursuant to PR law.
- The value of the transfer to be included in the § 363 sale shall be determined by deducting all related expenses such as, and without limitation, property and other taxes, cancellation of liens, etc.

Stipulation, Bankr. Case No. 19-01178, ECF No. 155, pp. 14-15 and Bankr. Case No. 19-03799, ECF No. 116, pp. 14-15). The aforestated properties (described in footnotes 1 and 2) are hereby referred to as the “Tacoronte Properties”.

3. On August 30, 2021, the Court entered an *Order Approving Stipulation* (Bankr. Case No. 19-01178, ECF No. 162 and Bankr. Case No. 19-03799, ECF No. 123), referring to the *Stipulation* filed at Bankr. Case No. 19-01178, ECF No. 155 and Bankr. Case No. 19-03799, ECF No. 116.

4. On October 15, 2021, Debtors filed a *Chapter 11 Plan of Reorganization* (the “*Plan*”, Bankr. Case No. 19-01178, ECF No. 168 and Bankr. Case No. 19-03799, ECF No. 129) providing that “OSP … will be paid as Stipulated in Docket[] 155”. *Plan*, Bankr. Case No. 19-01178, ECF No. 168, p. 14, § 3.3 and Bankr. Case No. 19-03799, ECF No. 129, p. 14, § 3.3.

5. On January 14, 2022, the Court entered the *Order Confirming Plan* (Bankr. Case No. 19-01178, ECF No. 197 and Bankr. Case No. 19-03799, ECF No. 155).

6. Tacoronte moved for the sale of a certain property by way of motion (Bankr. Case No. 19-01178, ECF No. 221) and through a post confirmation modification (Bankr. Case No. 19-01178, ECF No. 227), to which OSP opposed (Bankr. Case No. 19-01178, ECF Nos. 225, 238).

RUSTICA: Predio de terreno radicado con el #11-A sito en el barrio Hoconuco del término municipal de San Germán. Con una cabida superficial de 1,261.26 metros cuadrados. Colinda al NORTE, en 50.11 metros, con terrenos de Manuel Valentín Padilla, solar # 11 del plano; al SUR, en 3.79 metros y 42.43 metros, con la calle asfaltada; al ESTE, en 25.00 metros, con Alfredo Ortiz y al OESTE, en un ángulo de 5.20 metros, con antiguo remanente de la finca principal, ahora calle asfaltada.

Finca número dieciséis mil trescientos noventa y cinco (16,395), inscrita al folio doscientos veintiseis (226) del tomo quinientos ocho (508) de San Germán.

7. On September 9, 2022, OSP filed a *Motion Requesting Entry of Order for the Transfer of Properties and the Cancellation of Pre-Transfer Date Liens and Other Particulars* (ECF No. 226). The Properties refer to the Tacoronte Properties described in footnotes nos. 1 and 2, *infra*, which were also duly described in the approved *Stipulation*, Bankr. Case No. 19-01178, ECF No. 155, pp. 14-15 and Bankr. Case No. 19-03799, ECF No. 116, pp. 14-15.

8. On November 23, 2022, the Court entered an *Opinion and Order* denying “Tacoronte’s motion for sale [Bankr. Case No. 19-01178, Dkt. 221] and Tacoronte’s post-confirmation modification [Bankr. Case No. 19-01178, Dkt. 227] and grant[ing] the motion filed by OSP Consortium LLC requesting entry of order for the transfer of properties [Bankr. Case No. 19-01178, ECF No. 226]”. *Opinion and Order*, Bankr. Case No. 19-01178, ECF No. 251, p. 1, 2022 Bankr. LEXIS 3312, 2022 WL 17184654 (Bankr. D.P.R. Nov. 23, 2022).

9. On December 5, 2022, OSP filed a *Motion to Inform Default* (Bankr. Case No. 19-01178, ECF No. 253), which this Court noted on 12/08/22.

10. On December 8, 2022, Debtors filed a *Motion of Conversion from Chapter 11 to Chapter 7* (the “*Motion for Conversion*”, Bankr. Case No. 19-01178, ECF No. 254 and Bankr. Case No. 19-03799, ECF No. 190) relying exclusively on Section 1112(a) of the Bankruptcy Code.

11. Also on December 8, 2022, the Court entered an *Order for Cancellation of Pre-Transfer Date Liens and Other Particulars* (Bankr. Case No. 19-01178, ECF No. 255).

12. Also on December 8, 2022, OSP filed an *Opposition to Motion for Conversion to Chapter 7* (the “*Opposition to Conversion*”, Bankr. Case No. 19-01178, ECF No. 257 and Bankr. Case No. 19-03799, ECF No. 191).

13. On December 9, 2022, the Court ordered the Debtors to “state [their] position within fourteen (14) days as to OSP Consortium LLC’s Opposition to Motion for Conversion to Chapter 7”. *Order*, Bankr. Case No. 19-01178, ECF No. 259 and Bankr. Case No. 19-03799, ECF No. 193.

14. Also on December 9, 2022, the Court entered a *Writ of Cancellation of Liens and Transfer of Title* (Bankr. Case No. 19-01178, ECF No. 262).

15. After seeking and obtaining an extension of time to comply (Bankr. Case No. 19-01178, ECF Nos. 268 and 269 and Bankr. Case No. 19-03799, ECF Nos. 196 and 197), on December 30, 2022, the Debtors filed a *Motion in Compliance with Order for Conversion to Chapter 7* (the “*Motion in Compliance*”, Bankr. Case No. 19-01178, ECF No. 272 and Bankr. Case No. 19-03799, ECF No. 200).

16. On January 3, 2023, OSP filed an *Opposition to the Motion in Compliance* (Bankr. Case No. 19-01178, ECF No. 273 and Bankr. Case No. 19-03799, ECF No. 201).

17. The Debtors and OSP engaged in good faith negotiations and hereby submit the terms of their agreement for the Court’s approval.

Stipulation

18. Upon the filing of this Stipulation, Tacoronte shall make a \$770,000 payment to OSP in a manager’s check.

19. Upon receipt of the payment of the \$770,000, OSP shall deliver to the Debtors the original notes that serve as OSP’s collateral.

20. The foregoing stipulation settles all pending contested matters between the Debtors and OSP summarized in the recitals, *supra*.

21. The Debtors also further agree to vacate the Tacoronte Properties described in footnotes nos. 1 and 2, *supra*, and deliver to OSP the possession, keys and any other access to the Tacoronte Properties, *supra*, on or before January 30, 2023. Thereafter, on January 31, 2023, the OSP is entitled to enter the premises of the Tacoronte Properties, take possession and dispose of any property therein and the Debtors hereby waive to any related defenses and/or claims.

22. Pursuant to PR LBR 9013-1(c), the Parties request the Court to shorten the objection language hereto to three (3) days because the Debtors must vacate the Tacoronte Properties prior to the lapse of the twenty-one (21) day objection notice.

Prayer for Relief

WHEREFORE, the Parties respectfully pray the Court to approve this Stipulation and further request to shorten the objection period to seven (7) days.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 1st day of February 2023

Shortened Objection Notice - PR LBR 9013-1(c)

Within three (3) days after service as evidenced by the certification, and an additional three (3) days pursuant to Fed. R. Bank. P. 9006(f) if you were served by mail, any party against whom this paper has been served, or any other party to the action who objects to the relief sought herein, shall serve and file an objection or other appropriate response to this paper with the clerk's office of the United States Bankruptcy Court for the District of Puerto Rico. If no objection or other response is filed within the time allowed herein, the paper will be deemed unopposed and may be granted unless: (i) the requested relief is forbidden by law; (ii) the requested relief is against public policy; or (iii) in the opinion of the court, the interest of justice requires otherwise.

Certificate of Service

We hereby certify on this same date, we electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all CM/ECF participants in this case.

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